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U.S. DISTRICT COURT  
S.D.N.Y. JUDGEHoward O. Godnick  
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April 14, 2008

**VIA HAND DELIVERY**

The Honorable Harold Baer, Jr.  
United States District Judge  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street, Room 2230  
New York, New York 10007-1312

Re: J. Aron & Company v. Osyka Permian, LLC, et al., 08-CV-1866 (HB)

Dear Judge Baer:

We write on behalf of Plaintiff J. Aron & Company ("J. Aron") to respectfully request approval of the enclosed Stipulation and Order to Extend the Time of Michael F. Harness to Move, Answer or Otherwise Respond to the Complaint (the "Stipulation and Order"). In addition, we also respectfully request that the Court adjourn until a later date the pre-trial conference currently scheduled for April 17, 2008.

As we indicated in our letter to Your Honor of March 24, 2008, the parties have been actively engaged in seeking a negotiated resolution of their disputes, including the claims asserted in the above-referenced matter. As a result of those efforts, J. Aron, Mr. Harness and Defendants Osyka Corporation ("Osyka") and Osyka Permian LLC ("Permian" and, together with Osyka, "Debtors"), among others, have entered into a Settlement Agreement dated as of April 1, 2008 (the "Settlement"), subject to the approval of the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court").

Under the terms of the Settlement, Debtors have agreed to seek approval of the Settlement and procedures for a sale or refinancing of their assets under the supervision of the Bankruptcy Court, and J. Aron has agreed to suspend the litigation pending such approval and completion of the sale or refinancing before August 31, 2008. Motions to approve the settlement and the sale/refinancing process are scheduled to be heard by the Bankruptcy Court on April 23, 2008. If the Settlement and sale/refinancing procedures are approved by the Bankruptcy Court, Debtors will be required to take certain actions according to a Bankruptcy Court-approved timeline, including submitting a final plan of sale or refinancing (the "Final Plan") to the Bankruptcy Court for its approval by no later than August 16, 2008, with a closing thereof on or

before August 31, 2008. Assuming the requisite Bankruptcy Court approvals and closing of a sale or refinancing by August 31, the claims asserted in this action will be deemed released upon the effective date of the Final Plan, but no later than August 31, 2008.

As noted above, under the terms of the Settlement, the parties have agreed to defer this litigation during the course of the contemplated sale process. Accordingly, J. Aron has agreed to extend further Mr. Harness' time to answer, move or otherwise respond to the complaint in this action up to and through May 6, 2008, which is approximately two weeks after the Bankruptcy Court currently is scheduled to consider the relevant motions described above. Provided the Bankruptcy Court approves the relevant motions, we will submit a request for a further extension of Mr. Harness' time to answer the complaint, and respectfully request that the Court indulge us in this step-by-step course as Debtors move through the bankruptcy process.

In light of the parties' Settlement and agreement to stand down from litigation, we also request an adjournment of the pre-trial conference presently scheduled for April 17, 2008. Because of the progress the parties have made toward a settlement, we have been informed that Mr. Harness has not yet retained New York counsel, and would need to do so if, in fact, the pre-trial conference were to proceed on April 17. We respectfully request that the Court reschedule the pre-trial conference for a date after May 6, 2008 to allow the parties to focus on the bankruptcy process, which we hope ultimately will lead to a resolution of the instant matter.

Respectfully submitted,

  
Howard O. Godnick

Enclosure

Cc: Michael F. Harness  
H. Rey Stroube, III, Esq.

*I will add this matter to my very short response calendar and bring it up from you I've been dismissed on my motion since September 1, 2008. If the matter does not warrant dismissal at that time I will be your obligation to let me know & ask for a new time to answer or move or what appropriate*

*Michael F. Harness*  
U.S.D.J.  
4/16/08

Endorsement:

I will add this matter to my very short suspense calendar and barring word from you it will be dismissed on my motion come September 1, 2008. If the matter does not warrant dismissal at that time it will be your obligation to let me know and to ask for a new time to answer or move if that's appropriate.